

FREIGHT CARRIER REGISTRATION PROGRAM

BASIC AGREEMENT BETWEEN THE SURFACE DEPLOYMENT AND DISTRIBUTION COMMAND AND MOTOR COMMON CARRIERS GOVERNING THE TRANSPORTATION OF COMMODITIES FOR AND ON BEHALF OF THE U.S. DEPARTMENT OF DEFENSE

GENERAL PROVISIONS

1. As a prerequisite for approval to transport commodities for the account of the Department of Defense (DOD) and the Surface Deployment and Distribution Command (SDDC), (hereinafter called the Government), agrees to comply with all additional requirements, terms and conditions as set forth in this Agreement. This Agreement governs the transportation of all DOD commodities administered by the SDDC Operations Center (except used household goods). Noncompliance by the carrier with any provision of this Agreement may result in SDDC taking action against the carrier under the Carrier Performance Program, governed by SDDC Regulation 15-2, and the Defense Transportation Regulation DOD 4500.9R, Part II, Cargo Movements, Chapter 207.

2. Approvals and Revocation

a. The carrier understands that it is not authorized to submit tenders for shipments requiring a Transportation Protective Service (TPS) until it has served DOD in an approved status for 12 continuous months. Prior to being allowed to handle shipments which require a TPS or Class 1, Division 1.1, 1.2, & 1.3, the carrier must first meet any additional requirements in effect at the time.

b. In addition to the initial evaluation, the carrier agrees that it will cooperate with SDDC follow-up evaluations at any time after approval to confirm continued eligibility.

c. The carrier certifies that neither the owners, company, corporate officials, nor any affiliation or subsidiary thereof are currently debarred or suspended, disqualified by a SDDC Carrier Review Board, or placed in nonuse by SDDC from doing business with DOD.

3. Lawful Performance

a. The carrier agrees to comply with all applicable federal, state, municipal, and other local laws and regulations governing the safe, proper, and lawful operation of motor vehicles, to include Title 49 Code of Federal Regulations (CFR) 386-397. Intrastate carriers are required to comply with all applicable state or federal regulations, whichever are more stringent.

b. No fines, charges, or assessments for overloaded vehicles or other violations of applicable laws and regulations will be passed to or be paid by any agency of the Federal Government.

4. Operating Authority.

The carrier agrees to maintain valid operating certificates for its scope of operations approved by SDDC.

5. Insurance.

a. Minimum public liability insurance requirements are prescribed in Title 49 of the Code of Federal Regulations (CFR) 387. Carrier agrees to ensure that the Department of Transportation (DOT) is provided proof of their public liability insurance in accordance with sections 29 and 30 of the Motor Carrier Act of 1980. Further, the motor carrier agrees to provide SDDC with proof of insurance when requested. The insurance underwriter must have a policyholder's rating in the Best's Insurance Guide, and be listed in the Fiscal Service Treasury Department Circular 570 listing of surety companies.

1. Public liability insurance will be verified through DOT's Licensing and Insurance web site. Carriers should insure that information contained in that system is kept current and up to date.

2. Public liability insurance for intrastate carriers shall be as required by the state, except for deregulated states, for which public liability shall be the same as that required of interstate carriers.

3. Cargo insurance at a minimum of \$150,000 for loss and damage of government freight per vehicle and/or \$20,000 per vehicle transported (e.g., automobile transporters or vehicles in haul away service) must be maintained. Perishable goods carriers will maintain, as a minimum, cargo insurance in the amount of \$80,000 and bulk petroleum carriers will maintain \$25,000.

b. The insurance, carried in the name of the carrier, will be in force at all times while this Agreement is in effect or until such time as the carrier cancels all tenders. The carrier agrees to ensure that the policies include a provision requiring the insurer to notify SDDC prior to any performance of service for the carrier. Changes, renewals, and cancellation notices must be sent to SDDC. This requirement applies to both interstate and intrastate carriers. Carrier's insurance policy(s) must cover all equipment used to transport DOD freight.

6. Safety and Security

a. The carrier will not have an "unsatisfactory" safety rating with the Federal Highway Administration, Department of Transportation, and if it is an intrastate motor carrier, with the appropriate state agency. The carrier further agrees to permit unannounced safety inspections of its facilities, terminals, equipment, employees, and procedures by DOD civilian or military personnel, or DOD contract employees. The inspection may include in-transit surveillance of vehicles and drivers. The carrier agrees to provide evidence that fulfills the requirement set forth in 49 Code of Federal Regulation parts 390 thru 396. Inspection of carrier equipment, drivers' records, route plans and inspection reports will be permitted during both the pickup and delivery of shipments and in coordination with local police or other authorities while in transit. Carrier also agrees to allow inspection of carrier records and individual driver qualification files. When requested, carrier agrees to provide adequate evidence of an active driver safety, security, training and evaluation program. Upon request, the carrier agrees to furnish sufficient information to permit SDDC to verify or inspect carrier and driver records.

b. The carrier agrees to have in place a company-wide safety management program. The carrier safety program will comply with applicable federal, state and local statutes or requirements. Safety programs at the company-wide or terminal level may be subject to evaluation by DOD representatives.

c. The carrier agrees to notify, within 24 hours, the consignor and consignee named by the Bill of Lading (BOL) of cargo loss, damage, or unusual delay. Information reported will include origin/destination, BOL number, shipping paper information, time and place of occurrence, and other pertinent accident details. When requested, carrier agrees to furnish SDDC a copy of accident reports submitted to the Department of Transportation.

7. Equipment.

a. The carrier agrees not to trip lease except with DOD approved carriers. Trip Leasing is defined as a vehicle lease of 30 days or less in duration between a carrier and leasing agent involving the power unit. DOD approved carriers can be found on SDDC's website at www.sddc.army.mil.

b. A copy of the appropriate lease/contract or detailed pick-up sheets tailored to the specific load and truck in question must be included in all leased/contracted vehicles and must be available for inspection. Subcontractors without a copy of the appropriate contract or pick-up sheets in the cab may be rejected by the shipper.

8. Terms of the Agreement.

a. The terms and provisions of this Agreement are subject to current and future regulations, statutes, MFTRPs, SDDC tender instructions, tender, tariff, bill of lading or other binding legal documents [hereinafter document(s)]. If any term or provision of this Agreement conflicts with any current or future document's terms, then this Agreement's provision is void and the application of the other document's provisions applies.

b. This Agreement shall be effective from the date of approval by SDDC and can only be terminated after removal from the Freight Carrier Registration Program (FCRP).

c. Nothing in this Agreement will be construed as a guarantee by the Government of any particular volume of traffic.

d. Carrier agrees to notify SDDC electronically (mtfecarrierregistration@sddc.army.mil) of any changes in ownership, affiliations, executive officers, legal name or other changes affecting your FCRP registration within 30 calendar days.

9. Additional Specialized Requirements. The terms of this Agreement will not prevent different or additional requirements with respect to negotiated Agreements or added requirements for other types of service and/or commodities.

10. Addendums.

This Agreement covers the transportation of general commodities by DOT contract/common carriers. Carriers approved for other authorities listed below, must adhere to the appropriate addendum(s) attached to this Agreement:

- a. Approved brokers, and logistic companies (appendix A).
- b. Approved surface and air freight forwarders (appendix B).
- c. Approved to participate in the movement of placarded HAZMAT (appendix C)
- d. Approved to participate in the movement of Arms, Ammunition & Explosives, Class 1, Division 1.1, 1.2, & 1.3 (appendix D)
- e. Approved to provide Protective Security Service (TPS) (appendix E)

11. Carrier Acknowledgments and Acceptance. The carrier official agrees to ensure that the appropriate company officials and employees are familiar with the requirements, terms and conditions of this Agreement and are in full compliance with the applicable provisions herein. Any information found to be falsely represented in the FCRP or during the qualification procedures, to include additional requirements of this Agreement, shall be grounds for automatic revocation of this Agreement and immediate nonuse of the carrier, the affiliated companies, divisions and entities.

NOTE: This single Agreement replaces the six previously contained in this section and applies to companies registered under SDDC's Freight Carrier Registration Program (FCRP). Do not send signed Agreements to SDDC. Carriers remaining in the registration program after the effective date of MFTRP 1D will automatically accept the terms. Carriers wishing to be removed from the program must provide written notice to mtfecarrierregistration@sddc.army.mil requesting removal.

APPENDIX A

BROKERS/LOGISTICS COMPANIES

Brokers/Logistics companies must comply with the General Provisions of the basic carrier Agreement and comply with these additional terms:

1. Agrees to keep a current electronic listing of all underlying carriers (subcontractors) that the broker/logistic company intends to hire for the transport of DOD freight. Listing must be maintained at the corporate office and available to send via e-mail upon SDDC request. This list will contain, as a minimum, corporate office addresses, telephone numbers and a designated 24-hour on call point of contact in the event of an accident or emergency situation. SDDC can direct Broker/Logistic companies not to use specific carriers in the movement of DOD freight shipments. Requested lists will be viewed by SDDC personnel only.

2. Understands that they are not authorized to participate in any shipments that require a Transportation Protective Service (TPS).

3. Insurance

Broker/Logistic companies agree to require their underlying carriers to carry the minimum public liability insurance required under Title 49 of the Code of Federal Regulations (CFR) 387 and cargo insurance in accordance with item 5.3 of the General Provisions.

4. Will be liable for loss or damage to cargo in the same condition as received at origin, except for loss or damage to cargo caused by act of God, public enemy act, omission of shipper, inherent vice or nature of commodity, or act or mandate of public authority. Broker/Logistic company agrees to promptly settle claims from loss or damage. The broker also agrees to provide the status of any shipment tendered to them within 24 hours after an inquiry is made.

5. Understands that drivers will provide adequate identification/information which verifies their affiliation with the broker named on the Bill of Lading (BOL).

APPENDIX B

FREIGHT FORWARDERS

Freight Forwarders must comply with the General Provisions of the basic carrier Agreement and accept these additional terms:

1. Insurance

Liability and Cargo insurance will be accordance with item 5 of the General Previsions. Agrees to require underlying motor carriers to carry the minimum public liability insurance required under Title 49 of the Code of Federal Regulations (CFR) 387 and cargo insurance in accordance with item 5.3 of the General Previsions.

2. Understands they are not authorized to participate in any traffic that requires a Transportation Protective Service (TPS)

3. Will be liable for loss or damage to cargo in the same condition as received at origin, except for loss or damage to cargo caused by act of God, public enemy act, omission of shipper, inherent vice or nature of commodity, or act or mandate of public authority. The Freight Forwarder agrees to promptly settle claims from loss or damage. The Freight Forwarder also agrees to provide the status of any shipment tendered to them within 24 hours after an inquiry is made.

4. Understands that drivers will provide adequate identification/information which verifies their affiliation with the forwarder named on the Bill of Lading (BOL).

APPENDIX C

PLACARDED HAZARDOUS MATERIALS

This appendix is for carriers approved to transport hazardous materials, (other than Class 1, Division 1.1, 1.2, & 1.3), as defined in 49 Code of Federal Regulation 172. Commodities include, but are not limited to, gasoline, kerosene, lubricating oil, turbine fuel, and diesel fuel. Hazardous Materials carriers must comply with the General Provisions of the basic carrier Agreement and accept these additional terms:

1. Trip leasing allowed with DOD approved hazardous materials carriers only.
2. Approved carriers must carry \$1,000,000 in public liability insurance.

APPENDIX D

ARMS, AMMUNITION AND EXPLOSIVES (AA&E),

CLASS 1, DIVISION 1.1, 1.2, & 1.3

AA&E carriers must comply with the General Provisions of the basic carrier Agreement and accept these additional terms:

1. Carrier agrees to comply with all applicable federal, state, municipal, and other local laws and regulations governing the safe transportation and storage of ammunition and explosives to include Title 49 Code of Federal Regulations (CFR) 172, 177 and 386 through 397. Provisions for exempt intra city operations as defined in 49 CFR will not apply to the transportation of explosives for the DOD. Intrastate carriers are required to comply with all applicable state or federal regulations, whichever are more stringent.
2. Approved carriers must carry \$5,000,000 in public liability insurance.
3. Any carrier found to be involved in the brokerage, as defined by DOT, of DOD AA&E freight traffic will have its approval revoked.
4. A "satisfactory" safety rating will be maintained with the Federal Highway Administration, Department of Transportation and/or with the appropriate state agency or commission in the case of intrastate. Safety ratings which are "unsatisfactory," "conditional", "insufficient information", or "not rated" will not be accepted.
5. Trip-leased equipment, with or without drivers, will not be used to transport protected commodities for the account of the DOD.
6. AA&E carriers must also agree to the TPS addendum at appendix E

APPENDIX E

TRANSPORTATION PROTECTIVE SERVICE (TPS)

Applies to carriers approved to transport classified materials, protected and sensitive material, Arms, Ammunition & Explosives, Class 1, Division 1.1, 1.2, & 1.3, or other hazardous material as defined in 49 Code of Federal Regulations (CFR) 172 which are designated sensitive by the U. S. Department of Defense.

1. Carrier agrees to execute a Standard Form 328 (Certificate Pertaining to Foreign Interests) as a precondition to providing any TPS for the DOD. A carrier regardless of the number or type of TPS provided must execute only one SF 328.
2. A "satisfactory" safety rating will be maintained with the Federal Highway Administration, Department of Transportation and/or with the appropriate state agency or commission in the case of intrastate. Safety ratings which are "unsatisfactory," "conditional", "insufficient information", or "not rated" will not be accepted.
3. Trip-leased equipment, with or without drivers, will not be used to transport protected commodities for the account of the DOD.